

Message Text

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ACTION AF-10

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FM AMEMBASSY DAR ES SALAAM
TO SECSTATE WASHDC 8008
INFO AMEMBASSY BUJUMBURA
AMEMBASSY KIGALI
AMEMBASSY KINSHASA
AMEMBASSY LUSAKA
AMEMBASSY NAIROBI
AMCONSUL BUKAVU
AMCONSUL LUBUMBASHI

UNCLAS SECTION 1 OF 2 DAR ES SALAAM 1195/1

E.O. 11652: N/A
TAGS: ELTN, EWWT, TZ, ZA, BY
SUBJECT: TANZANIA'S PORT AND RAIL OPERATIONS

REF: A) DAR ES SALAAM 198 (NOTAL)
B) BUJUMBURA MEMO OF 6 FEB (NOTAL)
C) 77 DAR ES SALAAM 758

1. INTRODUCTION AND SUMMARY - PORT OF DAR ES SALAAM WHICH SERVES TANZANIA AND FOUR INLAND NEIGHBORS HAS BEEN EXPERIENCING SEVERE CONGESTION IN RECENT MONTHS. ALTHOUGH BACKLOG OF CARGO REDUCED 15 PERCENT FROM TWO MONTHS AGO (REF A), CURRENT SITUATION REMAINS CRITICAL. MANAGERS OF PORT, RAILWAY, AND FREIGHT FORWARDING OPERATIONS ARE NOT OPTIMISTIC THERE WILL BE MUCH IMPROVEMENT WITHIN NEXT SIX MONTHS. MAJOR PROBLEMS AFFECTING TRANSPORT SYSTEM'S ABILITY TO COPE WERE DESCRIBED REF C. THEY INCLUDE:
-- SIGNIFICANTLY INCREASED DEPENDENCE OF ZAMBIA ON DAR PORT AND
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TANZAM RAILWAY (TAZARA) IN WAKE LOSS OF OTHER ROUTES.
-- SLOW TURNAROUND TIME OF TAZARA WAGONS IN ZAMBIA.
-- INEFFICIENCY IN DAR PORT AND SHORTAGE OF OPERABLE HANDLING EQUIPMENT. SIGNIFICANT STOCKPILES OF IMPORTS IN PORT AREAS DIRECTLY REDUCES EFFICIENCY.
-- INSUFFICIENT LOCOMOTIVES AND ROLLING STOCK ON TANZANIA RAILWAYS (CENTRAL LINE).

ACCORDING MEDIA AND TRANSPORT OFFICIALS, THESE PROBLEMS HAVE BEEN COMPOUNDED AND MAGNIFIED DURING PAST YEAR BY:

- ZAMBIA'S SEVERE ECONOMIC CRISIS RESULTING IN ITS INABILITY MEET TRANSPORT CHARGES IN TIMELY MANNER;
 - LACK OF EFFECTIVE COORDINATION AMONG TRANSPORT ELEMENTS HANDLING ZAMBIA CARGO. IMPORT CONGESTION AT PORT AND ZAMBIA GOVT. PRIORITY SELECTION FOR FORWARDING GOODS HAS ADDED TO STRAIN AND DISORGANIZATION. BULK PRODUCTS LIKE WHEAT ARE ESPECIALLY TROUBLESOME.
 - DEMISE OF EAST AFRICAN COMMUNITY PLACED NEW STRESSES AND UNCERTAINTY ON RAILWAY AND HARBORS ORGANIZATIONS AND WORKERS.
 - CLOSURE OF TANZANIA'S LAND BORDER WITH KENYA RESULTED IN INCREASED TRAFFIC ON ALREADY STRAINED PORT AND RAIL OPERATIONS.
- END SUMMARY.

2. PORT OF DAR ES SALAAM - THERE CURRENTLY ABOUT 51,000 TONS OF IMPORTS OF WHICH 35,000 TONS FOR ZAMBIA PILED UP IN PORT AWAITING ONWARD TRANSPORT. THOUGH REDUCED ON EMERGENCY BASIS IN JANUARY WHEN ZAMBIAN RAILWAYS MADE AVAILABLE 1,000 RAIL CARS, ZAMBIAN IMPORTS WAREHOUSED AT PORT AND TAZARA SHEDS AGAIN MOUNTING. POST STOCKPILE OF ZAMBIAN AND ZAIREAN COPPER AND ZINC FOR EXPORT HAS GROWN TO 36,000 TONS. THERE ARE ABOUT FORTY SHIPS DAILY IN DAR, HALF WORKING IN PORT AND HALF WAITING IN OUTER ANCHORAGE. SHIPS CALLING AT DAR ARE INCREASING AND OFTEN STACKED, E.G. A RECORD 37 SHIPS ARRIVED IN 10 DAY PERIOD IN FEB. AVERAGE WAITING PERIOD FOR SHIPS HAS RISEN TO 19 DAYS AS OF 17 MARCH. DUE TO SHORTAGE OF PORT SPACE DISCHARGE RATE DOWN TO 3,000 TONS PER DAY.

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IN EARLY MARCH REPRESENTATIVES OF 17 SHIPPING COMPANIES VISITED DAR AND DESCRIBED SITUATION AS "VERY WORRYING" AND TRANSPORT SYSTEM AS "POOR". FREIGHT FORWARDERS DESCRIBE PORT OPERATIONS AS UNPLANNED, HAPHAZARD, WASTEFUL, AND BUREAUCRATIC. (PORT EARNING IN FY 77 WERE \$47.4 MILLION, UP 8.5 PERCENT.) ZAMBIA GOVT. PRACTICE OF ASSIGNING PRIORITIES DAILY FOR WHICH CARGO TO CLEAR ADDS TO CONFUSION. BECAUSE OF DELAYS AND TIGHTNESS IN ZAMBIA'S RELEASE OF FOREIGN EXCHANGE, FREIGHT FORWARDERS ARE STRAPPED IN CLEARING CARGO AND HIRING TRUCKS TO AUGMENT TAZARA CAPACITY. HANDLING OF BULK PRODUCTS PARTICULARLY SLOW. FOR EXAMPLE, IT HAS TAKEN OVER 40 DAYS, VERSUS NORMAL 10 DAYS, TO UNLOAD A SHIP WITH 17,000 TONS OF WHEAT FOR ZAMBIA BECAUSE OF LOW PRODUCTIVITY AND ZAMBIA'S FAILURE HIRE SUFFICIENT VACUUM PUMPS AND TRUCKS.

3. TAZARA - MAJOR PROBLEM AFFLICTING TAZARA OPERATIONS IS FREIGHT CAR TURNAROUND TIME OF ONE MONTH, AGAINST PLANNED TWO WEEKS. THERE NO WAREHOUSING AT KAPIRI MPOSHI SO CARS MOVE TO LUSAKA, NDOLA AND ELSEWHERE UNDER ZAMBIA RAILWAY CONTROL, VIEWED HERE AS MAJOR BOTTLENECK.

UNLOADING OF IMPORTS/LOADING OF COPPER IS SLOW AND REPORTEDLY NOT WELL MANAGED. RETURN OF CARS TO DAR ES SALAAM SPORADIC AND UNRELIABLE,

THE THOUSAND ZAMBIA FREIGHT CARS MADE AVAILABLE IN JANUARY HAVE NOT YET RETURNED. FREIGHT FORWARDERS MUST COMPETE FOR AVAILABLE CARS WHICH NUMBER LESS THAN HALF OF THEIR NEEDS. WHEAT AND FERTILIZER MUST

BE BAGGED AND STORED AT TAZARA SHEDS DUE UNAVAILABILITY SPECIAL LOOSE BULK CARS. TAZARA BOARD SET TRAFFIC TRAGET OF 1.6 MILLION TONS OF CARGO FOR FY 78 BUT IS UNLIKELY TO BE NEAR IT. MEDIA REPORTED THAT TAZARA FINANCES (FUY 78 BUDGET OF \$60.7 MILLION) ARE IN BAD SHAPE AND EXPERIENCING TRANSFER OF FUNDS PROBLEMS.O

4. TANZANIA RAILWAYS CORP. (TRC) IS PLAGUED BY OLD EQUIPMENT (MOST ROLLING STOCK OVER 30 YEARS OLD - MUCH OF TRACK AND BRIDGES OVER 50 YEARS OLD) AND SHORTAGE OF LOCOMOTIVES (ONLY 30 OF SOME 160 STEAM ENGINES ON BOOK ARE WORKING). TANGOV EXPECTS SPEND SOME UNCLASSIFIED

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\$200 MILLION OVER 5 YEARS IN REFURBISHING LINE AND REPLACING EQUIPMENT. (RAILWAY EARNED \$26.5 MILLION IN FY 77 AND CARRIED 1.3 MILLION TONS). CANADA WILL PROVIDE ABOUT \$75 MILLION TO COVER

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ACTION AF-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01

INR-10 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 LAB-04 SIL-01 OMB-01 DODE-00 DOTE-00 FMC-02

CG-00 DLOS-09 OES-07 PA-02 /088 W

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R 210550Z MAR 78

FM AMEMBASSY DAR ES SALAAM

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INFO AMEMBASSY BUJUMBURA

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UNCLAS FINALS SECTION OF 2 DAR ES SALAAM 1195/2

PURCHASES OF LOCOMOTIVES, ROLLING STOCK, STEEL TRACK AND ESTABLISHMENT OF REPAIR CENTER.

5. RAILWAYS REFURBISHMENT PLANS INCLUDE ACQUISITION OF:

A) LOCOMOTIVES

15 SMALL ONES FROM INDIA HAVE ARRIVED.
15 LARGE (\$1 MILLION EACH) WILL BE DELIVERED FROM CANADA IN 1979.
8 MEDIUM SIZED EXPECTED IN 1978 FROM WEST GERMANY UNDER AID FINANCING.
29 SHUNTING LOCOMOTIVES WORTH \$8.5 MILLION WILL ARRIVE LATE 1978 UNDER ROMANIAN CREDIT.

B) ROLLING STOCK

30 GASOLINE TANKERS HAVE ARRIVED FROM INDIA AND ABOUT HALF ARE IN OPERATION TO UPCOUNTRY AND BURUNDI.
100 TANKERS (85 GASOLINE, 10 OIL AND 5 NATURAL GAS) WILL BE SUPPLIED IN EARLY 1979 BY CANADA.
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105 FREIGHT CARS FROM CANADA.

C) TRACK -

CANADA EXPECTED SUPPLY 112 KM. OF STEEL RAIL AND LAYING EQUIPMENT. (RELAYING OF WHOLE CENTRAL LINE EXPECTED TAKE 15-20 YEARS.)

D) IMPROVEMENT OF COMMUNICATIONS ALONG THE LINE.

6. AS NOTED REF. B, BURUNDI (AS WELL AS UPCOUNTRY TOWNS IN TANZANIA) EXPERIENCING DELAYS IN RAIL TRAFFIC AND SERIOUS SHORTAGES. BESIDES SCARCITY LOCOMOTIVES, TANKERS, ETC., THERE FREQUENT DERAILMENTS AND WASHOUTS AS RESULT OLD AND LOW CAPACITY TRACK AND BRIDGES. CONGESTION AND INEFFICIENCY AT PORTS OF DAR AND KIGOMA FURTHER REDUCE RAILWAY ABILITY COPE WITH TRAFFIC. (THERE 2,500 TONS OF CARGO PILED UP AT KIGOMA). BURUNDI'S PETROLEUM SHORTAGE DUE IN PART TO INCREASED TURNAROUND TIME (FROM 8 TO 12 DAYS) FOR PETROL TANKERS, THUS REDUCING TANKER AVAILABILITY DESPITE NEWLY ACQUIRED CARS. PETROLEUM MARKETING COMPANIES IN DAR ARE STOCKPILING PRODUCT FOR BURUNDI. SOME OFFICIALS CLAIM BURUNDI EXPERIENCED ONLY TEMPORARY SHORTAGE OF PETROLEUM IN JANUARY, AND SITUATION NOW IMPROVED

WITH PETROL MOVING AT 1977 LEVELS. THERE CONFLICTING REPORTS ON WHETHER UPCOUNTRY TANZANIA OR BURUNDI IS RECEIVING PRIORITY FOR TANK AND FREIGHT CARS. BURUNDI MINISTER VISITING HERE IN FEB. SAID HE SATISFIED WITH TANGOV. EFFORTS IN SOLVING BURUNDI'S TRANSPORT PROBLEMS. THERE HAS BEEN NO RECENT DISCUSSION RE JOINT STUDY TEAM SET UP IN MAY, 1977 TO EXAMINE PROPOSAL THAT BURUNDI BUY ITS OWN LOCOMOTIVES AND ROLLING STOCK. REPORTEDLY, TRC DOES NOT LIKE THE IDEA.

7. COMMENT: AS DESCRIBED ABOVE, PORT CONGESTION IS RESULT NUMBER
OF INTERWINNED AND COMPODED PROBLEMS. SOLUTIONS WILL NOT BE EASY.
DAR TRANSPORT AGENCIES TEND LOOK ULTIMATELY TO ZAMBIA GOVT. TO
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TAKE CORRECTIVE ACTIONS. MEANWHILE, THEY SEEM BE SCRAMBLING ON AN
INCREASINGLY SWIFT AND CLUTTERED TREADMILL.
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Disposition Approved on Date:
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